

AT&T must pay \$105m for unauthorised charges

WASHINGTON, USA: AT&T will have to pay \$105m to settle investigations that it added charges to mobile phone bills for unauthorised third-party services such as horoscopes and "fun facts," officials confirmed.



The FTC's Edith Ramirez insists that AT&T must refund consumers for illegal charges added to their bills for so-called premium services they did not want. Image: FTC

The US mobile company will settle probes by the Federal Trade Commission, Federal Communications Commission and the Attorneys-General for a number of US states.

FTC Chairman Edith Ramirez said AT&T agreed to the fine to resolve allegations that it billed for monthly subscriptions that consumers never authorised and didn't want."

The settlement is the largest for so-called "cramming," a practice that adds charges to mobile phone bills in a manner that deceives consumers.

Officials said some consumers discovered the charges after receiving text messages which offered the service, and ended up billing them after they deleted the messages.

The services cost \$10 a month for things such as ringtones, love tips, horoscopes, and "fun facts." AT&T kept at least 35% of those amounts, according to the FTC.

Vermont Attorney-General Bill Sorrell, who joined a news conference on the case, said the settlement ends an unfortunate scam on millions of Americans."

The case is the seventh brought by the FTC on cramming, and follows a lawsuit filed by the consumer protection agency against T-Mobile.

The settlement includes \$80m which will go to the FTC for consumer refunds, a \$5m fine to the FCC and \$20m in penalties to the states.

Officials said AT&T agreed to change its practices and get "express consent" before adding premium service charges to users' accounts.

Source: AFP via I-Net Bridge

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